



June 23, 2016
TRID FAQs #8

Q: What causes the 3 business day waiting period from receipt of the initial CD to consummation/closing to restart?

A: There are three reasons for the 3 business day waiting period to restart:

1. The APR increased/decreased over tolerance
 - **Note:** The APR decreasing over tolerance does not trigger a new waiting period if: 1) the finance charge increased by no more than \$100, or 2) the APR decrease is solely due to overstated finance charges. For example, if the APR decreased over tolerance because the discount points were removed, this decrease was only due to the discount points, which is a finance charge, so a new 3-day waiting period is not required.
 - **Example:** The APR decreasing while the finance charge increases over \$100 could occur when the loan term changes 15 year to 30 year and when a low loan amount is increased to a higher loan amount.
3. Addition of a prepayment penalty (PPP) (Note: CMG does not purchase loans with PPPs.)

Q: Does “loan product change” refer to program changes like 30 year to 15 year?

A: No. The “loan product” is what is disclosed on page 1 under Loan Information, which is “Adjustable Rate,” “Step Rate,” or “Fixed Rate.” (Note: CMG does not purchase “Step Rate” loans.)

This is not meant to be legal advice. Please seek legal counsel as you implement TRID.

*Please contact your Correspondent National Sales Manager
or Correspondent Liaison with any questions.*



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